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FEDERAL ELECTION COMMISSION  
999 E Street, N.W.  
Washington, D.C. 20463

SECRETARIAT

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**FIRST GENERAL COUNSEL'S REPORT**

**SENSITIVE**

MUR: 5642

DATE COMPLAINT FILED: January 18, 2005

DATE OF NOTIFICATION: January 26, 2005

LAST RESPONSE RECEIVED: March 29, 2005

DATE ACTIVATED: August 8, 2005

EXPIRATION OF SOL: September 28, 2009

**COMPLAINANT:**

National Legal and Policy Center

**RESPONDENTS:**

George Soros  
Fenton Communications  
World Affairs Council of Philadelphia  
Columbus Metropolitan Club  
David Fenton

**RELEVANT STATUTES:**

2 U.S.C. § 431(17)  
2 U.S.C. § 434(c)  
2 U.S.C. § 441b  
11 C.F.R. § 100.111(e)(1)  
11 C.F.R. § 100.16  
11 C.F.R. § 100.22  
11 C.F.R. § 100.22(a)  
11 C.F.R. § 100.22(b)  
11 C.F.R. § 100.26  
11 C.F.R. § 100.3  
11 C.F.R. § 100.5  
11 C.F.R. § 100.52(d)(1)  
11 C.F.R. § 104.4(g)  
11 C.F.R. § 104.5(f)  
11 C.F.R. § 109.10  
11 C.F.R. § 109.10(c)-(d)  
11 C.F.R. § 109.21  
11 C.F.R. § 114.4(c)(7)(ii)  
11 C.F.R. § 114.41(c)  
11 C.F.R. § 109.10(b)-(d)  
26 U.S.C. § 501(c)(3)

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1 **INTERNAL REPORTS CHECKED:** Disclosure Reports  
2  
3 **FEDERAL AGENCIES CHECKED:** Internal Revenue Service

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**I. INTRODUCTION**

This matter principally involves alleged violations of reporting requirements by George Soros.<sup>1</sup> Specifically, the complainant, National Legal and Policy Center ("NLPC"), alleges that Mr. Soros made independent expenditures related to purchasing or renting a mailing list, giving speeches, and reprinting his book during the 2004 Presidential election cycle but failed to report those expenditures as required by the Federal Election Campaign Act of 1971, as amended ("the Act") and Commission regulations. 2 U.S.C. § 434(c); 11 C.F.R. § 109.10(c)-(d). Mr. Soros denies that those initiatives constituted independent expenditures, because none is a "public communication" as defined by the Act. See 11 C.F.R. § 100.26. Because the definition of independent expenditures is not limited to "public communications," and because Mr. Soros made communications containing express advocacy that exceeded the reporting thresholds, this Office recommends finding reason to believe Mr. Soros violated 2 U.S.C. § 434(c) and 11 C.F.R. § 109.10 by failing to report expenses associated with communications that contained express advocacy. See 11 C.F.R. §§ 100.16, 100.22(a).

The complaint further alleges that Mr. Soros failed to timely disclose independent expenditures related to his website and to Internet advertisements. 2 U.S.C. § 434(c); 11 C.F.R. §§ 109.10(c)-(d). Again, Mr. Soros claims that the disbursements he reported were not independent expenditures and did not need to be reported at all. Based on the nature of the

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<sup>1</sup> In addition to the specific violations listed below, the complaint makes a number of factual assertions not tied to any violation. For example, the complaint describes at length a series of anti-Bush newspaper advertisements placed by Mr. Soros, but it does not allege that he failed to accurately and timely report the expenditures. The complaint also discusses services provided to Mr. Soros by a number of corporations, but, again, it does not allege any violations by those corporations. Because there are no allegations of violations, or facts suggesting a violation that was not specifically alleged, this report does not detail these factual assertions.

1 vendor and the fact that Mr. Soros reported the expenditures, a reasonable inference can be  
2 drawn that the advertisements were actually independent expenditures. Because the reports  
3 appear to have been filed late, this Office recommends finding reason to believe Mr. Soros  
4 violated 2 U.S.C. § 434(c) and 11 C.F.R. § 109.10.

5 The complaint also alleges respondents Columbus Metropolitan Club ("CMC") and  
6 World Affairs Council of Philadelphia ("WAC") violated the Act's prohibition on corporate  
7 expenditures by providing venues without charge to Mr. Soros for his speeches. See  
8 2 U.S.C. § 441b. Based upon a review of the complaint, the responses submitted by CMC and  
9 WAC, and publicly available information, this Office recommends that, as a matter of  
10 prosecutorial discretion, the Commission dismiss the allegations as to CMC and WAC. See  
11 *Heckler v. Chaney*, 470 U.S. 821 (1985).

12 Lastly, the complaint alleges that both Fenton Communications and Mr. Fenton provided  
13 services to Mr. Soros during his speeches. However, the complaint alleges no violation of the  
14 Act by either respondent, nor does available information allow for a reasonable inference that a  
15 violation occurred. Accordingly, this Office recommends dismissing the complaint as to both  
16 Fenton Communications and Mr. Fenton.

## 17 II. FACTUAL AND LEGAL ANALYSIS

### 18 A. George Soros

19 The complaint alleges Mr. Soros violated the Act by failing to report independent  
20 expenditures for mailing list acquisition costs, travel and other costs associated with speeches  
21 given by Mr. Soros in October 2004, and payments for reprinting and distributing a book by Mr.  
22 Soros that called for the defeat of President Bush. The complaint also alleges Mr. Soros violated  
23 the Act by filing another independent expenditure disclosure report late.

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1        Mr. Soros did not represent a campaign or political committee and was not a candidate  
2 during the 2004 election cycle. *See* 11 C.F.R. §§ 100.3, 100.5. There is also no allegation of  
3 coordination between Mr. Soros and a candidate, party or their agent. *See* 11 C.F.R. § 109.21.  
4 Thus, his expenditures are subject, at most, to the regulations regarding independent  
5 expenditures. *See* 11 C.F.R. §§ 100.16, 104.4(g), 109.10.

6        An independent expenditure is an expenditure for a communication that is not  
7 coordinated and that expressly advocates the election or defeat of a clearly identified candidate  
8 for Federal office. 2 U.S.C. § 431(17); 11 C.F.R. § 100.16. An individual may make unlimited  
9 independent expenditures but is required to report those expenditures if, in aggregate, they  
10 exceed the statutory thresholds, which vary based on the timing of the disbursement and the  
11 proximity to an election. *Buckley v. Valeo*, 424 U.S. 1, 45 (1976); 2 U.S.C. § 434(c); 11 C.F.R.  
12 §§ 100.16, 104.4(g), 109.10.

13        Under the Commission's regulations, express advocacy exists where a communication  
14 uses phrases such as "vote for the President," "re-elect your Congressman," or "Smith for  
15 Congress," or uses campaign slogans or words that in context have no other reasonable meaning  
16 than to urge the election or defeat of one or more clearly identified candidates for Federal office,  
17 such as posters, bumper stickers, or advertisements that say, "Nixon's the One," "Carter '76,"  
18 "Reagan/Bush," or "Mondale!" *See* 11 C.F.R. § 100.22(a); *see also* *FEC v. Massachusetts*  
19 *Citizens for Life, Inc.*, 479 U.S. 238, 249 (1986) ("MCFL") ("[The publication] provides in effect  
20 an explicit directive: vote for these (named) candidates. The fact that this message is marginally  
21 less direct than 'Vote for Smith' does not change its essential nature."). Express advocacy also  
22 exists where communications contain an "electoral portion" that is "unmistakable, unambiguous,  
23 and suggestive of only one meaning" and about which "reasonable minds could not differ as to

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whether it encourages actions to elect or defeat" a candidate when taken as a whole and with limited reference to external events, such as the proximity to the election. 11 C.F.R. § 100.22(b).

**1. Mailing List**

***a) Factual Summary***

During September and October 2004, Mr. Soros mailed a brochure packet to two million potential voters. The packet clearly stated numerous times that President Bush should not be re-elected, including the headline, "Why We Must Not Re-elect President Bush." Compl. Attachment C. The packet also contained a four-page pamphlet written by Mr. Soros that detailed why he opposed the re-election of President Bush. In connection with the mailing, Mr. Soros reported independent expenditures of \$747,680.00 to EU Services, Inc., a direct mail production company, for printing, postage, and handling, \$7,932.50 to Ann Wixon for managing the mailing production, and \$2,500.00 to Karol Keane for brochure design. All three expenditures were reported as occurring on October 4, 2004. Mr. Soros did not report any expenditures related to the costs of renting or purchasing a mailing list.

The complaint does not provide specific information about Mr. Soros's disbursements associated with acquiring a mailing list. However, it alleges that a mailing list is a necessary element of a direct mail campaign and that, given the number of brochures mailed, the cost to Mr. Soros for the list must have exceeded the disclosure threshold.

***b) Legal Analysis***

While the complainant does not appear to have actual knowledge of the existence of a mailing list or its costs, Mr. Soros does not dispute that he acquired one or more mailing lists in connection with this mass mailing, nor does he assert that the cost of the list was below the disclosure threshold. Instead, Mr. Soros asserts he is not required to report mailing list rental

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1 disbursements because they are operating expenses, not communication expenses, which he  
2 claims individuals are not required to report as independent expenditures. Mr. Soros rests this  
3 assertion on Advisory Opinion 1979-80 (NCPAC).

4 In AO 1979-80, a multi-candidate committee, NCPAC, sought to make an independent  
5 expenditure but was concerned that renting mailing lists from a party who also rented lists to the  
6 opposing candidate would constitute impermissible "common vendor" coordination. AO 1979-  
7 80. The Commission concluded that, regardless of whether or not the list broker was an agent of  
8 the opposing candidate, the list rental was an operating expense because NCPAC was "neither  
9 making any communication by renting the list nor [was] it making an independent expenditure  
10 through the broker." *Id.* Thus, the Commission concluded the use of a common list broker  
11 would not make the broker a common vendor or constitute prohibited coordination. *Id.* Mr.  
12 Soros argues that the Advisory Opinion requires mailing list costs to be included as operating  
13 expenses, as opposed to being part of the communication. If the mailing list is not part of the  
14 communication, he contends, a disbursement for a mailing list cannot be an independent  
15 expenditure.

16 The analysis of AO 1979-80 does not appear to control this matter, because Mr. Soros is  
17 an individual and not a committee. *Cf.* 2 U.S.C. § 437f(c) (reliance on an Advisory Opinion as a  
18 defense to an enforcement action is only allowed if the transactions are materially  
19 indistinguishable). In the case of an individual, it is unlikely the Commission would find that list  
20 broker expenses – or *any* expenses, for that matter – constitute operating expenses, because  
21 individuals simply do not have "operating expenses" in the sense contemplated by AO 1979-80  
22 or by the disclosure requirements for committees in 2 U.S.C. § 434(b)(4)(A). Furthermore, the  
23 reporting impact of categorizing a disbursement as an operating cost instead of an independent

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1 expenditure is drastically different for a committee as opposed to an individual. For a committee,  
2 it merely changes *where* the disbursement must be reported. See 11 C.F.R. § 104.3. For an  
3 individual, it would change *whether* the disbursement must be reported at all.<sup>2</sup>

4 Because the mailing list used to send Mr. Soros's brochure, and the disbursements to  
5 obtain it, was an integral part of the communication – indeed, the mailing could not have been  
6 produced or publicly distributed to two million potential voters without it – and because Mr.  
7 Soros does not dispute the allegation that he paid for a mailing list in connection with this direct  
8 mailing, the mailing list disbursements appear to be independent expenditures. Furthermore,  
9 because disclosure reports reveal that the cost of the mailing already exceeded the reporting  
10 threshold even without the mailing list, Mr. Soros was required to include the cost of the mailing  
11 list. See 2 U.S.C. § 434(c) and 11 C.F.R. § 109.10 (all costs for a communication are aggregated  
12 to determine if the threshold is met). Thus, this Office recommends the Commission find reason  
13 to believe Mr. Soros violated 2 U.S.C. § 434(c) and 11 C.F.R. § 109.10 by failing to report  
14 disbursements associated with acquiring the mailing list.

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<sup>2</sup> Moreover, it appears that the analysis in AO 1979-80 pertaining to political committees has been effectively superceded. The Explanation and Justification of the most recent amendments to 11 C.F.R. § 104.4(f), published in the Federal Register on January 3, 2003, indicates that both production *and* distribution costs associated with an independent expenditure made by a political committee are reportable on Schedule E as independent expenditures. See Explanation & Justification, Bipartisan Campaign Reform Act of 2002 Reporting, 68 Fed. Reg. 404, 407 (Jan. 3, 2003). Under the regulations now in force, the only time such disbursements are reportable on Schedule B as 'operating expenses' is when the production and distribution costs are incurred in one reporting period, and the public distribution of the independent expenditure occurs in a later reporting period. And even then, the costs must still be reported a second time, on Schedule E of the subsequent report, as part of the independent expenditure. See *id.*

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1                   2. Speeches

2                           a) *Factual Summary*

3                   Between October 5 and 28, 2004, Mr. Soros gave speeches at venues in twelve cities,  
4 including Philadelphia on October 6, and Columbus, Ohio on October 13.<sup>3</sup> At each venue, Mr.  
5 Soros delivered a stump speech that denounced the policies of President Bush and argued against  
6 his reelection. Mr. Soros's speech in Philadelphia contained statements such as "I have known  
7 John Kerry personally for many years, and I think he will make a very good president" and  
8 "America has to repudiate Bush." Compl. Attachment E (audiotape of WAC speech). Mr.  
9 Soros's speech in Columbus contained the same phrases, plus "I came here to convince you how  
10 dangerous it would be to re-elect President Bush." Appendix 1. The costs associated with these  
11 appearances would appear at a minimum to include travel expenses and accommodations.<sup>4</sup> The  
12 complaint also contains the un rebutted allegation that Fenton Communications, as a vendor of  
13 Mr. Soros, provided public relations services and production and logistical support in connection  
14 with the speaking tour. *See, infra*, Section II.C. Mr. Soros did not report any independent  
15 expenditures related to his speaking tour.

16                           b) *Legal Analysis*

17                   The complaint alleges that Mr. Soros violated the Act by failing to file independent  
18 expenditure reports disclosing disbursements related to his speaking tour. Transcripts reveal that  
19 the speeches, both as a whole and in specific passages, contained express advocacy statements.

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<sup>3</sup> In each city, a university or public policy club hosted his speech. The forum hosts for the remaining ten venues are listed in Appendix 2 but were not named as respondents.

<sup>4</sup> Mr. Soros did not accept speaking fees or travel reimbursement for his appearances.

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1 The statements are explicit directives to elect John Kerry or defeat President Bush and, as a  
2 result, are express advocacy under 11 C.F.R. § 100.22(a). They also contain an unmistakable  
3 electoral portion about which reasonable minds could not differ, constituting express advocacy  
4 under 11 C.F.R. § 100.22(b).

5 Mr. Soros does not deny that he incurred expenses related to his speaking engagements or  
6 that the speeches contained express advocacy. Rather, he argues that costs associated with the  
7 speeches are not independent expenditures under 11 C.F.R. § 100.16 because a speech is not a  
8 "public communication" within the meaning of 11 C.F.R. § 100.26. He further argues that only  
9 "public communications" need to be reported as independent expenditures. However, nothing in  
10 the definition of "independent expenditure" suggests that it is limited to "public  
11 communications."<sup>5</sup> The regulatory definition of "independent expenditure," promulgated over  
12 25 years ago, merely provides that an independent expenditure is an expenditure by a person "for  
13 a communication" that contains certain specified characteristics. 11 C.F.R. § 100.16(a). By  
14 contrast, "public communication" is a term of art added to the Act as part of the Bipartisan  
15 Campaign Reform Act of 2002. As defined at 2 U.S.C. § 431(22) and 11 C.F.R. § 100.26,  
16 "public communication" is carefully limited to "general public political advertising" and  
17 specifically excludes communications over the Internet. Not all communications to the public  
18 are "public communications"; the term is used at specific places in the Act and regulations to

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<sup>5</sup> In the Fahrenheit 9/11 matters, for example, this Office did not use the exclusion of film from the definition of "public communication" in 11 C.F.R. § 100.26 as a basis for concluding that Fahrenheit 9/11 was not an independent expenditure. See MURs 5474 and 5539, First General Counsel's Report at 11-19. Rather, the analysis focused solely on whether the film contained express advocacy or was bona fide commercial activity not conducted for the purpose of influencing an election. The Commission approved this Office's recommendation by a vote of 6-0. MURs 5474 and 5539, Certification.

1 limit the scope of the provisions in which it appears. *See, e.g.*, 11 C.F.R. §§ 100.24, 100.25,  
2 100.87, 100.88, 104.10, 106.6, and 109.21(c)(2). The definition of "independent expenditures"  
3 is not one of those provisions.

4 Although the complaint does not allege the amount of the expenditures, it is possible that  
5 incidental expenses, publicity, speechwriting, logistical and travel costs for a twelve city  
6 speaking tour created expenditures in excess of the \$10,000 threshold required to trigger 48-hour  
7 independent expenditure reporting pursuant to 11 C.F.R. § 109.10(c). It is also very possible that  
8 the seven stops that occurred within twenty days of the election created expenditures in excess of  
9 the \$1,000 threshold, which would trigger 24-hour reporting, pursuant to 11 C.F.R. § 109.10(d).  
10 At the very least, Mr. Soros appears to have exceeded the \$250 threshold for quarterly reporting,  
11 pursuant to 11 C.F.R. § 109.10(b).

12 Because the costs associated with the speaking tour appear to be independent  
13 expenditures that triggered a reporting duty, this Office recommends that the Commission find  
14 reason to believe Mr. Soros violated 2 U.S.C. § 434(c) and 11 C.F.R. § 109.10 by failing to  
15 report independent expenditures associated with the speeches.

### 16 3. The Book

#### 17 a) *Factual Summary*

18 Mr. Soros first published "The Bubble of American Supremacy: Correcting the Misuse of  
19 American Power" in hardback through Public Affairs Books on November 25, 2003.<sup>6</sup> The book

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<sup>6</sup> <http://www.publicaffairsbooks.com/publicaffairsbooks-cgi-bin/display?book=1586482173> (last visited Feb. 28, 2006).

1 is available for sale at bookstores.<sup>7</sup> "American Supremacy" is a critique of what Mr. Soros  
2 considers to be the foreign relations policies of the Bush administration. The book calls for the  
3 defeat of President Bush in the 2004 election in the following passages:<sup>8</sup>

- 4 • "On the other hand, it is not enough to defeat President Bush at the polls. America has to  
5 reexamine its role in the world and adopt a more constructive vision."<sup>9</sup>
- 6 • "I hope that the electorate will reject President Bush for a better reason. The reckless  
7 pursuit of American supremacy has put us and the rest of the world in danger. The only  
8 way we can extricate ourselves is by rejecting President Bush."<sup>10</sup>
- 9 • "We can regain [the moral high ground] only by rejecting President Bush when he stands  
10 for reelection in 2004 and by adopting a more benevolent role in the world."<sup>11</sup>
- 11 • "It is all the more important to remember the main message of this book: It is not enough  
12 to defeat President Bush at the polls; we must repudiate the Bush doctrine and adopt a  
13 more enlightened vision of America's role in the world."<sup>12</sup>

14 The complaint alleges that Mr. Soros asked his publisher to print an additional 50,000  
15 copies of the book before the 2004 General Election. On September 20, 2004, Public Affairs  
16 Books released a second printing of the book in paperback with a new subtitle ("The Bubble Of  
17 American Supremacy: The Costs of Bush's War in Iraq").<sup>13</sup> It does not appear that Public  
18 Affairs Books printed a third run of the book. The complaint alleges that Mr. Soros distributed  
19 free copies of the book during his speeches, which the response does not rebut.<sup>14</sup> Because the  
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<sup>7</sup> <http://www.amazon.com/gp/product/1586482920/> (last visited Feb. 28, 2006).

<sup>8</sup> These passages are the only instances of express advocacy in the book.

<sup>9</sup> GEORGE SOROS, THE BUBBLE OF AMERICAN SUPREMACY viii (Public Affairs 2004).

<sup>10</sup> *Id.* at 74.

<sup>11</sup> *Id.* at 172.

<sup>12</sup> *Id.* at 190.

<sup>13</sup> <http://www.publicaffairsbooks.com/publicaffairsbooks-cgi-bin/display?book=1586482173&cover=pb> (last visited Feb. 28, 2006).

<sup>14</sup> While Mr. Soros's response does not address this allegation directly, CMC contends that they prevented people from handing out any literature during its event. It is unclear whether "literature" includes the book, and we do not know whether the other venues had similar policies.

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1 second edition is commercially available,<sup>15</sup> we assume that, if Mr. Soros distributed free copies  
2 of his book to the attendees of his speaking appearances, he did not distribute the entire 50,000.

3 Furthermore, it appears likely that Mr. Soros paid for the books he allegedly gave away  
4 for free at his speeches. The complaint does not allege whether Mr. Soros purchased the books  
5 from Public Affairs, or, if he did, at what price. However, the complaint does allege that Mr.  
6 Soros made independent expenditures in connection with the alleged free distribution of his  
7 books, and, in responding to this allegation, Mr. Soros does not deny that he distributed his book  
8 for free and does not deny that he paid for the free copies. Thus, because Mr. Soros does not  
9 dispute that he made disbursements in connection with the books, the most reasonable inference  
10 is that, if he distributed the book during his speeches, Mr. Soros likely paid for those books he  
11 distributed. Mr. Soros did not report any independent expenditures related to the free distribution  
12 of the book.

13 *b) Legal Analysis*

14 The complaint alleges that Mr. Soros violated the Act by failing to report independent  
15 expenditures relating to distributing his book, "The Bubble of American Supremacy: The Costs  
16 of Bush's War in Iraq," which it alleges he distributed for free at his speeches. As with the  
17 speeches, Mr. Soros argues that the books are not "public communications" and that only "public  
18 communications" need to be reported as independent expenditures. However, independent  
19 expenditures are not limited to public communications. *Supra*, Section II.A.2.b at 10. The book  
20 contains statements that are explicit directives to defeat President Bush and, thus, are express

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<sup>15</sup> See <http://www.amazon.com/gp/product/1586482920/> (last visited Feb. 28, 2006).

1 advocacy under 11 C.F.R. § 100.22(a). The statements also contain an unmistakable electoral  
2 portion about which reasonable minds could not differ, constituting express advocacy under 11  
3 C.F.R. § 100.22(b). There does not appear to be any question that the cost of the books exceeded  
4 the regulatory thresholds. Mr. Soros made twelve speeches, which would require him to  
5 distribute only three books per venue to meet the minimum disclosure threshold of \$250.<sup>16</sup> See 2  
6 U.S.C. § 434(c). Nevertheless, the Commission has previously concluded that certain specific  
7 commercial activity was not an expenditure under the Act. See 93 *Cong. Rec.* 6593, 6593-98  
8 (Jun. 5 1947); MUR 5485 (*Conversagent*); MURs 5474 and 5539 (*Fahrenheit 9/11*); Advisory  
9 Opinions 1994-30 and 1989-21. Therefore, we next examine whether the transactions involving  
10 the second reprint of the book are sufficiently similar to those in this narrow group of cases.<sup>17</sup>

11 The Commission has used a multi-factor balancing test in past cases to determine whether  
12 a specific commercial transaction constitutes an expenditure. The factors analyzed include: (1)  
13 whether the sales involve fundraising activity or solicitations for political contributions; (2)  
14 whether the activity is engaged in by the vendor for genuinely commercial purposes; (3) whether  
15 the items are sold at the vendor's usual and normal charge; and (4) whether the purchases are  
16 made by individuals for their personal use in political expression. See, e.g., MUR 5485  
17 (*Conversagent*), First General Counsel's Report at 8; MURs 5474 and 5539 (*Fahrenheit 9/11*),  
18 First General Counsel's Report at 14; see also Advisory Opinions 1994-30 (*Conservative*

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<sup>16</sup> List price of the book is \$13.00, but it can be purchased for \$10.40. See <http://www.amazon.com/gp/product/1586482920/> (last visited Feb. 28, 2006).

<sup>17</sup> There is no allegation or evidence that the first publication and sale of the book was anything other than bona fide commercial activity, was sold for less than the usual and normal charge, or had any connection to a Federal election.

1 Concepts) and 1989-21 (State Artist). The test does not turn on the content of the activity. See  
2 MURs 5474 and 5539 (Fahrenheit 9/11), First General Counsel's Report at 14.

3 Unlike two recent matters, Fahrenheit 9/11 and Conversagent, the facts do not suggest  
4 that Mr. Soros distributed his book for bona fide commercial purposes. In the Fahrenheit 9/11  
5 matter, the audience paid to see the film, the principal purpose of the film was to make money,  
6 and the film was theatrically released and promoted in the ordinary manner for films. See  
7 Fahrenheit 9/11 at 11-19. In the Conversagent matter, the respondent created an automated  
8 online chat program as a proof-of-concept for potential customers to increase sales of the  
9 commercial version of the same software, which demonstrated that the activity was not for the  
10 purpose of influencing a federal election. See Conversagent at 8.

11 However, in this case, the disbursements for the books Mr. Soros allegedly distributed do  
12 not appear to be bona fide commercial activity because, unlike Fahrenheit 9/11, the books appear  
13 to have been given away and, unlike Conversagent, the giveaways do not appear to have been  
14 designed to sell more books. If the books were purchased by Mr. Soros and given away for free,  
15 then there can be little question of whether this activity is similar to the specific examples of  
16 commercial activity that the Commission has previously found not to be independent  
17 expenditures. Books are usually sold, not given away, during promotional appearances by the  
18 author. Furthermore, in contrast to Conversagent, there appears to be no argument that the books  
19 were given away as a loss leader to promote the book and increase sales. Instead, the only  
20 apparent rationale behind giving away the book was to convince undecided voters to vote against  
21 President Bush in the General Election. Mr. Soros's decision to change the title from "The  
22 Bubble of American Supremacy: Correcting the Misuse of American Power" to "The Bubble of  
23 American Supremacy: The Costs of Bush's War in Iraq" prior to embarking on his speaking tour

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1 supports the inference that the books were intended to convey Mr. Soros's message. Finally, it  
2 appears to be no coincidence that Mr. Soros ordered the reprint shortly before the General  
3 Election. Thus, if Mr. Soros paid for copies of the book and gave them away for free (an  
4 allegation that Mr. Soros does not refute), the cost of those books given away would appear to be  
5 independent expenditures.

6 Because the disbursements for the books appear to be independent expenditures that  
7 triggered a reporting duty, this Office recommends that the Commission find reason to believe  
8 Mr. Soros violated 2 U.S.C. § 434(c) and 11 C.F.R. § 109.10 by failing to report disbursements  
9 associated with the books.

10 **4. Website Production and Internet Advertising**

11 **a) *Factual Summary***

12 The General Election took place on November 2, 2004. Two days later, on November 4,  
13 2004, Mr. Soros disclosed independent expenditures of \$132,577.39 to DonorDigital for  
14 "Website production/Internet advertising."<sup>18</sup> GeorgeSoros.com is a website owned and run by  
15 Mr. Soros, and the domain was registered by DonorDigital.<sup>19</sup> See <http://www.netsol.com/whois>

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<sup>18</sup> Mr. Soros also disclosed independent expenditures to DonorDigital of \$309,750.00 on September 28, 2004. Although the complaint alleges that Mr. Soros probably incurred some expenses prior to September 28, it provides no information, and there is no independent evidence, to support the allegation.

<sup>19</sup> The site currently contains only a few pages and documents, but, during October 2004, it included postings by Mr. Soros regarding the 2004 Presidential election, Mr. Soros's responses to questions posed by the public, Mr. Soros's views on President Bush's policies, and press releases issued by Mr. Soros. For example, on October 12, 2004, the main page of GeorgeSoros.com stated:

I have been crisscrossing the country for the last three weeks arguing against the reelection of President Bush. I feel strongly that he has led us in the wrong direction. The invasion of Iraq was a colossal blunder and only by rejecting the President at the polls can we hope to escape from the quagmire in which we find ourselves.

<http://web.archive.org/web/20041101024558/http://georgesoros.com/> (last visited Feb. 28, 2006).

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1 (last visited Feb. 28, 2006). DonorDigital is a consulting company that helps nonprofit  
2 organizations conduct online fundraising, advocacy, and marketing. While DonorDigital appears  
3 to provide website development services, its website indicates that its core services are Internet  
4 fundraising, building e-mail lists, issue advocacy, and developing marketing strategies and work  
5 plans. These initiatives comprise "advertising campaigns involving partnership with major  
6 Internet sites, donated or paid banners, e-newsletter ads, Google and Yahoo key word buys, and  
7 search engine optimization."<sup>20</sup> These services typically include posting Internet advertisements  
8 on websites other than its clients' website.

9 The disclosure filing does not indicate, nor does the complaint allege, what portion of the  
10 expenditures went to website production and what portion went to Internet advertising. Mr.  
11 Soros's response states that the reported expenditures were exclusively for maintaining  
12 GeorgeSoros.com.

13 *b) Legal Analysis*

14 The complaint alleges that Mr. Soros failed to timely report independent expenditures  
15 related to website production and Internet advertising during the 2004 election cycle. In his  
16 response, Mr. Soros argues, first, that the report disclosing the disbursement was not late,  
17 because he filed the report within 48 hours of final payment. In the alternative, Mr. Soros argues  
18 that the disclosures were not mandatory, because the disbursement did not constitute an  
19 independent expenditure.

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<sup>20</sup> <http://www.donordigital.com/site/whatwedo/index.htm> (last visited Feb. 28, 2006).

**(1) Independent Expenditures**

Mr. Soros's assertion that the entire disclosed amount was spent on website maintenance appears to be in conflict with the independent expenditure report itself.<sup>21</sup> If Mr. Soros's assertion is true, the purpose listed on the report could have stopped with "website maintenance" instead of adding the slash and the phrase "Internet advertising," which, unless it is redundant to the phrase immediately preceding it, would seem to indicate that some payments have been made for advertising on web sites other than GeorgeSoros.com. This impression is reinforced both by the amount at issue, which seems very large to be simply for the design and maintenance of a single website, and by the website of the vendor, DonorDigital, Inc., which emphasizes its expertise at developing web-based advertising campaigns.<sup>22</sup>

Given the services typically provided by DonorDigital and the description of expenditures on the report filed, it is likely that at least \$250 – the minimum statutory threshold – of the \$132,577.39 reported by Mr. Soros was related to Internet advertisements. See 2 U.S.C. § 434(c) and 11 C.F.R. § 109.10. While we do not have the text of any of the advertisements, Mr. Soros's reporting them as independent expenditures allows a reasonable inference at this stage that their

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<sup>21</sup> If the \$132,577.39 reported by Mr. Soros was in fact spent entirely on the maintenance of GeorgeSoros.com, this Office would be inclined to recommend that the Commission exercise its prosecutorial discretion and take no action with respect to this allegation. This approach would be appropriate given the ongoing rulemaking regarding the potential regulation of Internet communications, which, while not directly controlling here, has left a number of issues unsettled. See The Internet: Definitions of "Public Communication" and "Generic Campaign Activity" and Disclaimers, 70 Fed. Reg. 16967-71 (proposed Apr. 4, 2005). It would also be appropriate given similar actions in a number of other matters that have raised questions about apparent independent expenditures for communications on an individual's or a corporation's own website. See MURs 5522 (Wisconsin Right to Life, Inc.); MURs 5474 and 5539 (Fahrenheit 9/11).

<sup>22</sup> As noted, *supra*, an advertising campaign conducted by DonorDigital would involve placing advertisements on websites other than GeorgeSoros.com.

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1 text either contained express advocacy or was close enough that Mr. Soros or his advisors  
2 thought the disbursements were required to be reported.

3 Therefore, there is evidence sufficient to draw a reasonable inference at this stage that at  
4 least a portion of the \$132,577.39 was for an independent expenditure that should have been  
5 reported.

6 (2) Timeliness

7 A person making independent expenditures has a duty to report the expenditures if they  
8 (1) aggregate \$250 and are made during the calendar year of an election, or (2) aggregate \$10,000  
9 or more and are made up to and including the 20th day before an election, or (3) aggregate  
10 \$1,000 or more and are made after the 20th day and more than 24 hours prior to election day.  
11 11 C.F.R. §§ 109.10(b)-(d). In the first case, a quarterly report is required, in the second, the  
12 report is due within 48 hours of the first communication, and, in the third case, the report is due  
13 within 24 hours of the first communication. When the communication is disseminated prior to  
14 payment, the act of dissemination triggers the duty to aggregate all actual and contractual  
15 obligations. 11 C.F.R. § 104.5(f). If those obligations exceed the statutory threshold, the  
16 independent expenditure must be reported. 2 U.S.C. § 434(c) and 11 C.F.R. § 109.10.

17 Mr. Soros's response states that the "final payment" for the disbursement occurred on  
18 November 2 (election day), which would trigger only a quarterly reporting requirement if the first  
19 communication also occurred on that date. However, although the complaint does not allege  
20 when the communications occurred and that information is not available in the public record, it is  
21 likely that advertisements regarding the 2004 election would have been disseminated *prior* to  
22 election day. In addition, the response's use of the phrase "final payment" suggests that there  
23 were earlier disbursements for the reported communications. Thus, it is likely that at least

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1 \$10,000 of the over \$130,000 reported went to pay for communications that were disseminated  
2 more than 24 hours prior to the election. If so, the date for determining whether the quarterly,  
3 48-hour, or 24-hour reporting duty applies is the date of the first communication that exceeded  
4 the threshold. If the communication was disseminated 20 or more days before the election, the  
5 filing is late because November 4 is more than 48 hours after the date of the communication. If  
6 the communication was disseminated fewer than 20 days, but more than 24 hours, before the  
7 election, the filing is late because November 4 is more than 24 hours after the date of the  
8 communication.

9 In short, although it is possible that Mr. Soros disseminated all of the Internet  
10 advertisements paid for by this disbursement starting only after 12:01 a.m. on November 2, the  
11 more reasonable inference is that the first communication occurred prior to that time. Because  
12 the first communication likely was disseminated 24 hours or more prior to the election and  
13 exceeded the threshold, it appears that Mr. Soros did not file his November 4 Form 5 report on  
14 time. Thus, this Office recommends that the Commission find reason to believe Mr. Soros  
15 violated 2 U.S.C. § 434(c) and 11 C.F.R. § 109.10 by failing to timely report independent  
16 expenditures associated with the advertisements.<sup>23</sup>

17 **B. CMC and WAC**

18 The complaint alleges that CMC and WAC, which are nonprofit corporations organized  
19 under 26 U.S.C. § 501(c)(3), made "expenditures" by hosting Mr. Soros's speeches.

20 Corporations are prohibited from making contributions or expenditures in connection with any

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1 federal election. 2 U.S.C. § 441b. Based upon a review of the complaint, the responses  
2 submitted by CMC and WAC, and publicly available information, this Office recommends that,  
3 as a matter of prosecutorial discretion, the Commission dismiss the allegations as to CMC and  
4 WAC. *See Heckler v. Chaney*, 470 U.S. 821 (1985).

5 CMC and WAC are incorporated non-profit membership forums that host speakers on  
6 issues of current events. The speeches are open to the public, and the organizations charge an  
7 admission fee to offset overhead and site rental costs for the events. In 2004, CMC and WMC  
8 each hosted approximately fifty forums, featuring a range of speakers representing diverse  
9 political views.<sup>24</sup> Both organizations maintain a strict written policy of not endorsing or  
10 opposing candidates for office. Further, the policy of both groups is to remain impartial and not  
11 endorse or oppose positions on subjects and issues.

12 WAC hosted Mr. Soros's speech in Philadelphia on October 6, and CMC hosted his  
13 speech in Columbus, Ohio on October 13. Both respondents opened the speeches to the public  
14 and charged admission fees for entry. WAC provided its own facilities as the venue, while CMC  
15 rented space at the Hyatt Regency. According to CMC, 370 individuals paid a total of \$8,075.00  
16 for tickets, and its expenses for renting the hotel for the speech were only \$4,704.30. According  
17 to WAC, 210 people attended the speech, and it charged \$65 per ticket. WAC did not disclose  
18 its costs but stated that the costs were covered by the ticket sales.

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<sup>24</sup> CMC, for example, hosted Bush supporters Surood Ahmend, Taghreed Al-Qaragholl, Representative Deborah Pryce, and Governor Bob Taft, while WAC over the years has hosted Ronald Reagan, George H.W. Bush, Dick Cheney, Bob Dole, Al Gore, Jesse Jackson, and Colin Powell.

1 No information has been presented indicating that either organization engaged in express  
2 advocacy or otherwise endorsed the views of Mr. Soros, and the respondents each deny the same.  
3 Further, each organization provided information indicating that the attendance fees they charged  
4 covered the costs they incurred to host Mr. Soros' speeches. Given the nature of these  
5 organizations and what they do, the fair exchange between them and the attendees, and the fact  
6 that the allegations against these organizations are peripheral to the gravamen of the complaint,  
7 we do not believe these allegations raise sufficient concerns to justify expending the  
8 Commission's limited resources.

9 Thus, we conclude that the Commission's limited resources would be better spent  
10 focusing on the central allegations in this matter concerning Mr. Soros. Accordingly, this Office  
11 recommends that the allegations as to CMC and WAC be dismissed as a matter of prosecutorial  
12 discretion.<sup>25</sup>

13 **C. Fenton Communications and Mr. Fenton**

14 Fenton Communications is a public interest communications firm founded by Mr. Fenton,  
15 who currently serves as its Chief Executive Officer. The complaint states that Fenton  
16 Communications and its employees, including Mr. Fenton, provided public relations, production,  
17 and logistical support to Mr. Soros during his speaking tour. While the complaint alleges that

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<sup>25</sup> The narrow exemption to the definition of "contribution or expenditure" for appearances on educational institutions at 11 C.F.R. § 114.4(c)(7) does not appear to apply here as this exemption explicitly applies only to *candidate* appearances hosted by, and on the premises of, educational institutions such as schools, colleges, and universities, and only under certain circumstances. Nonetheless, some of the policy considerations that led to the creation of this exemption, including ensuring that FECA did not unduly burden the free exchange and debate of ideas in an intellectual environment, would seem to support the exercise of prosecutorial discretion in these circumstances. See Explanation and Justification, Corporate and Labor Organization Activity; Express Advocacy and Coordination With Candidates, 60 Fed. Reg. 64260, 64270-71 (December 14, 1995).

Mr. Soros did not disclose any payments to Fenton Communications related to the tour, it contains no specific allegations that Fenton Communications or Mr. Fenton violated the Act. Moreover, it provides no information suggesting that the role of these respondents was anything other than that of a third party vendor. Accordingly, this Office recommends dismissing the complaint as to Fenton Communications and Mr. Fenton.

#### IV. RECOMMENDATIONS

1. Find reason to believe that George Soros violated 2 U.S.C. § 434(c) and 11 C.F.R. § 109.10 by failing to report independent expenditures;
2. Find reason to believe that George Soros violated 2 U.S.C. § 434(c) and 11 C.F.R. § 109.10 by reporting independent expenditures late;
3. Dismiss the allegations in MUR 5642 with respect to Columbus Metropolitan Club, and close the file as to this respondent;
4. Dismiss the allegations in MUR 5642 with respect to the World Affairs Council of Philadelphia, and close the file as to this respondent;

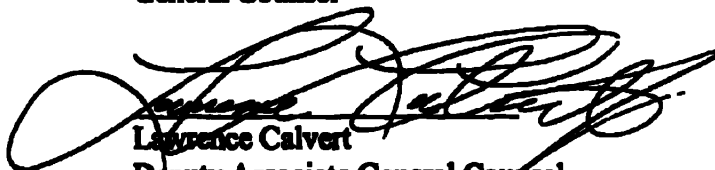
5. Dismiss the complaint as to David Fenton and Fenton Communications;
6. Approve the attached factual and legal analysis;
7. Authorize the use of compulsory process in this matter, including the issuance of interrogatories, document subpoenas, deposition subpoenas and orders; and
8. Approve the appropriate letters.

3/3/06

Date



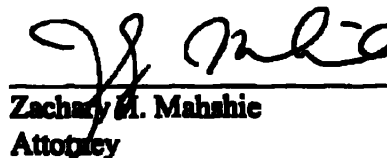
Lawrence H. Norton  
General Counsel



Lawrence Calvert  
Deputy Associate General Counsel  
for Enforcement



Ann Marie Terzaken  
Assistant General Counsel



Zachary M. Mahshie  
Attorney

Attachments:

Appendix 1 (Transcript of CMC speech)<sup>26</sup>

Appendix 2 (Speaking Venues)

<sup>26</sup> Available at [http://www.georgesoros.com/downloads/Columbus\\_Campaign\\_Speech\\_13\\_Oct\\_2004.doc](http://www.georgesoros.com/downloads/Columbus_Campaign_Speech_13_Oct_2004.doc) (last visited Feb. 28, 2006).



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**ATTACHMENT 1**

## **Appendix 1**

### **"Why We Must Not Re-Elect President Bush" Speech**

**To be delivered at the Columbus Metropolitan Club**

**by George Soros**

**Wednesday, October 13, 2004**

**Columbus, Ohio**

**This is not an ordinary election. It is a referendum on President Bush's first term in office. He ran on the platform of a humble foreign policy in 2000. Then came 9/11, the Bush doctrine of preemptive military intervention and the invasion of Iraq. If we re-elect him now, we endorse these policies and we shall have to live with the consequences. As I shall try to show, we are facing a vicious circle of escalating violence with no end in sight. But if we reject him at the polls, we shall have a better chance to regain the respect and support of the world and to break the vicious circle. Our future depends on it.**

**Why should you listen to me? Not because I have a lot of money -- although it helps to get my message out -- but because I have an unusual background and experience that may help throw some light on our predicament.**

**I was born in Hungary, lived through fascism and the Holocaust, and then had a foretaste of communism. I learned at an early age how important it is what kind of government prevails.**

**I left Hungary and I studied under the philosopher Karl Popper who explained that both fascism and communism suffered from a fatal flaw: they claimed to be in possession of the ultimate truth. But our understanding is inherently imperfect so the ultimate solution can be imposed only by force. It is better to live in an imperfect society that holds itself open to improvement through freedom of thought and expression, elections, markets and laws that are open to modification.**

**I chose America as my home because I value freedom and democracy, civil liberties and an open society.**

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Karl Popper taught me what an important role misconceptions and mistakes play in shaping the course of events and this came in useful in anticipating events in the financial markets.

I became rich as an investor and speculator, and I have devoted half my wealth to fighting communism and fostering open and free societies throughout the world. I have set up a network of foundations which currently spends about 450 million dollars a year all over the world. I have learnt quite a bit about promoting democracy.

When George W. Bush was elected president, and even more after September 11, I saw that the values and principles of open society needed to be defended at home. September 11 led to a suspension of the critical process so essential to a democracy – a full and fair discussion of the issues. President Bush silenced all criticism by calling it unpatriotic. When he said that “either you are with us, or you are with the terrorists,” I heard alarm bells ringing. And now that President Bush claims that John Kerry is sending the wrong message to our troops when he is criticizing our conduct of the war in Iraq, and Vice President Cheney claims that the terrorists want John Kerry elected President, my fears are confirmed. The Bush campaign is undermining the civilized discourse that is the foundation of our democracy.

Instead of making us safer, President Bush waged war on terror the wrong way. There is a fundamental flaw in the President's thinking; the fact that the terrorists are manifestly evil does not make whatever actions we take automatically good. Recognizing that we may be wrong is the foundation of an open society. President Bush admits no doubt and does not base his decisions on a careful weighing of reality. For 18 months after 9/11 he managed to suppress all dissent. That is how he could lead the nation so far in the wrong direction.

The invasion of Afghanistan was justified: that was where bin Laden lived and al Qaeda had its training camps. The invasion of Iraq was not similarly justified. It was President Bush's unintended gift to bin Laden.

There is a widespread belief that President Bush has made us safer by invading Iraq. The opposite is true. President Bush failed to finish off bin Laden when he was cornered in

## Appendix 1

Afghanistan because he was gearing up to attack Iraq. And the invasion of Iraq bred more people willing to risk their lives against Americans than we are able to kill – generating the vicious circle of escalating violence I am talking about.

President Bush now tells us that offense is the best defense and we are safer at home because we are fighting the terrorists abroad. It is one of the most atrocious arguments I have ever heard but it is finding a certain resonance in an electorate fearful of the terrorists.

Bush's war in Iraq has generated many more people willing to risk their lives to kill Americans than there were on September 11 and our security, far from improving as President Bush claims, is deteriorating.

War and occupation create innocent victims. We count the body bags of American soldiers; there have been more than 1000 in Iraq and that is a terrible tragedy. But let us also consider the Iraqis who get killed daily. There have been many times more. And I am not talking about the insurgents who are trying to kill our soldiers but innocent victims, including many women and children. Every innocent death helps the terrorists' cause by stirring anger against America and bringing them potential recruits.

Immediately after 9/11 there was a spontaneous outpouring of sympathy for us worldwide. This has now turned into an equally widespread resentment. The invasion of Iraq has inflamed the Islamic world. I am afraid that we have entered a vicious circle of escalating violence where our fears and their rage feed on each other. It is not a process that is likely to end any time soon. If we re-elect President Bush we are telling the world that we approve his policies – and we shall be at war for a long time to come.

President Bush likes to insist that the terrorists hate us for what we are – a freedom loving people – not what we do. Well, he is wrong on that. The more innocent civilians we kill, the more we reinforce the terrorists. He also claims that the torture scenes at Abu Graib prison were the work of a few bad apples. He is wrong on that too. They were part of a system of dealing with detainees put in place by Defense Secretary Donald Rumsfeld and our troops in Iraq are paying

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the price. Mothers who believe the President is making us safer by taking the war on terror abroad, are making a tragic mistake, and their children may have to pay the price.

How could President Bush convince people that he is good for our security, better than John Kerry? By building on the fears generated by the collapse of the twin towers and fostering a sense of danger. At a time of peril, people rally around the flag and President Bush has exploited this. His campaign is based on the assumption that people will believe practically anything if it is repeated often enough, particularly by a President at a time of war. It didn't work so well for the Vice President the other night. "Significant progress" in Iraq sounded rather hollow.

The war in Iraq was misconceived from start to finish -- if it has a finish. It is a war of choice, not necessity, in spite of what President Bush says. It goes without saying that Saddam was a tyrant, and it is good to be rid of him. But in invading Iraq as we did, without a second UN resolution, we violated international law. By mistreating and even torturing prisoners, we violated the Geneva conventions. President Bush has boasted that we do not need a permission slip from the international community, but our disregard for international law has endangered our security, particularly the security of our troops.

The arms inspections and sanctions were working. In response to American pressure, the United Nations had finally agreed on a strong stand. As long as the inspectors were on the ground, Saddam Hussein could not possibly pose a threat to our security. We could have persisted with the inspections but President Bush insisted on going to war.

By now we know that we went to war on false pretenses. The weapons of mass destruction could not be found, and the connection with al Qaeda could not be established. What has not yet sunk in is that President Bush, Vice President Cheney and Condoleezza Rice knew that Saddam had no nuclear capacity long before we invaded Iraq. They were told by the intelligence experts of the Energy Department in 2002 that the famous aluminium rods, that were presented as the most concrete evidence that Saddam had a nuclear program, could not possibly be used as centrifuges for enriching uranium. Yet they used them as evidence. They deliberately deceived the public and the Congress and the United Nations. This was spelled out in an article in The

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**New York Times. I don't know why this information hasn't received more attention. Perhaps the New York Times article was too long. More likely we simply don't want to believe that our President deliberately deceived us.**

**When all else failed, President Bush claimed that we went to war to liberate the people of Iraq. All my experience in fostering democracy and open society has taught me that democracy cannot be imposed by military means. And, Iraq would be the last place I would chose for an experiment in introducing democracy – as the current chaos demonstrates.**

**If we had cared about the people of Iraq we should have had more troops available to protect them. We should not have used methods that alienated and humiliated the population. The way we invaded homes, and the way we treated prisoners generated resentment and rage. Public opinion condemns us worldwide.**

**The number of flipflops and missteps committed by the Bush administration in Iraq far exceeds anything John Kerry can be accused of. First we dissolved the Iraqi army, then we tried to reconstitute it. First we tried to eliminate the Baathists, then we turned to them for help. First we attacked Falluja over the objections of the Marine commander on the ground, then pulled them out when the assault was half-way through, again over his objections. More recently, we started bombing Falluja again. First we installed General Jay Garner to run the country, then we gave it to Paul Bremer and when the insurgency became intractable, we installed an Iraqi government. The man we chose was a protégé of the CIA with the reputation of a strong man – a far cry from democracy.**

**The Bush campaign is trying to put a favorable spin on it, but the situation in Iraq is dire. Much of the Western part of the country has been ceded to the insurgents. Even the so-called Green Zone (a small enclave in the center of Baghdad where Americans live and work) is subject to mortar attacks. The prospects of the Sunnis participating in the elections in January are poor and civil war looms. President Bush received a somber intelligence evaluation in July but he has kept it under wraps and failed to level with the electorate.**

## Appendix 1

Bush's war in Iraq has done untold damage to the United States. It has impaired our military power and undermined the morale of our armed forces. Our troops were trained to project overwhelming power. They were not trained for occupation duties. Having to fight an insurgency saps their morale. After Iraq, it will be difficult to recruit people for the armed forces and we may have to resort to conscription.

Before the invasion of Iraq, we could project overwhelming power in any part of the world. We cannot do so any more because we are bogged down in Iraq. Our hand in dealing with Iran, North Korea and other countries has been greatly weakened.

There are many other policies for which the Bush administration can be criticized but none are as important as Iraq. Iraq has cost us 145 billion dollars to date and 75 billion dollars more before the end of the year. These are enormous amounts. To illustrate, 7.5 billion dollars could have fully implemented the plan to protect our ports and upgrade the Coastguards. And the costs are going to mount because it was much easier to get into Iraq than it will be to get out of there. President Bush has been taunting John Kerry to explain how he would do things differently in Iraq. John Kerry has responded that he would have done everything differently, he would not have invaded, and he would be in a better position to extricate us than the man who got us in there. But it will not be easy for him either, because we are caught in a quagmire.

It is a quagmire that many predicted. I predicted it in my book, *The Bubble of American Supremacy: The Costs of Bush's War In Iraq*. I was not alone: top military and diplomatic experts desperately warned the President not to invade Iraq. But he ignored their experienced advice. He suppressed the critical process. Even in the presidential debate, the President kept insisting that any criticism of his policy in Iraq puts our troops at risk. But this is Bush's war, and he ought to be held responsible for it. It's the wrong war, fought the wrong way.

It is hard to believe that all the accusations I have leveled against President Bush are true. I wish they weren't because then we wouldn't be in the predicament in which we find ourselves. There is only one way out. To change leadership and change direction. Fortunately we have a credible

## **Appendix 1**

**— and to me attractive — alternative. I have known John Kerry personally for many years and I think he will make a very good president.**

**I came here to convince you how dangerous it would be to re-elect President Bush. I am particularly eager to reach moderate Republicans who might vote for Bush out of party loyalty. Much more is at stake than party loyalty and Bush hasn't been particularly loyal to the values and principles of the Republican Party. Just as America has to repudiate the Bush policies so must the Republican Party.**



**ATTACHMENT 2**

## Appendix 2

<u>Date</u>	<u>City</u>	<u>Venue</u>
October 5, 2004	Pittsburgh, PA	University of Pittsburgh <sup>1</sup>
October 6, 2004	Philadelphia, PA	World Affairs Council
October 11, 2004	Boston, MA	Unknown
October 12, 2004	Minneapolis, MN	Minneapolis Club <sup>2</sup>
October 13, 2004	Columbus, OH	Columbus Metropolitan Club
October 19, 2004	Harrisburg, PA	Tuesday Club <sup>3</sup>
October 20, 2004	Sarasota, FL	Van Wezel Performing Arts Hall <sup>4</sup>
October 20, 2004	Miami, FL	Miami Dade College <sup>5</sup>
October 22, 2004	Des Moines, IA	Drake University <sup>6</sup>
October 25, 2004	Cleveland, OH	The City Club of Cleveland <sup>7</sup>
October 26, 2004	Akron, OH	Unknown
October 28, 2004	Washington, DC	National Press Club <sup>8</sup>

<sup>1</sup> <http://www.ucis.pitt.edu/pila/ondemand.html> (last visited Feb. 28, 2006).

<sup>2</sup> Rene Sanchez, "Soros brings anti-Bush campaign to Minneapolis," *Star Tribune* October 13, 2004, 10A (Westlaw 10/13/04 STTRMSP 10A) (last visited Sep. 1, 2005).

<sup>3</sup> <http://www.nipc.org/view.asp?action=viewArticle&aid=691> (last visited Feb. 28, 2006).

<sup>4</sup> <http://www.heraldtribune.com/apps/pbcs.dll/article?AID=/2004/1020/BUSINESS/410200425/1006/SPORTS> (last visited Sep. 1, 2005) (also available at <http://64.233.179.104/search?q=cache:K77p7OFZQngJ:www.heraldtribune.com/apps/pbcs.dll/article%3FAID%3D/20041020/BUSINESS/410200425/1006/SPORTS+site:heraldtribune.com+soros&hl=en&gl=us&ct=clnk&cd=1&client=firefox-a> (last visited Feb. 28, 2006)).

<sup>5</sup> <http://grassrootsmiami.com/?q=node/view/134> (last visited Feb. 28, 2006).

<sup>6</sup> <http://www.drake.edu/egc/activities/04.html> (last visited Feb. 28, 2006).

<sup>7</sup> <http://www.clevelandjewishnews.com/articles/2004/11/22/news/election/soros1029.txt> (last visited Feb. 28, 2006).

<sup>8</sup> [rtsp://video.c-span.org/project/c04/c04102804\\_soros.rm](rtsp://video.c-span.org/project/c04/c04102804_soros.rm); [http://www.aim.org/aim\\_column/A2104\\_0\\_3\\_0\\_C/](http://www.aim.org/aim_column/A2104_0_3_0_C/) (last visited Feb. 28, 2006).